

ORDINANCE NO. 07-25

ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA AMENDING CHAPTER 70 ENTITLED "RETIREMENT AND PENSIONS", ARTICLE IV. EMPLOYEES GENERAL RETIREMENT SYSTEM, OF THE CODE OF ORDINANCES, AND IN PARTICULAR, BY ADDING A NEW DIVISION, DIVISION 7. TITLED "DEFERRED RETIREMENT OPTION PROGRAM (DROP)" TO IMPLEMENT A DROP FOR SWORN POLICE OFFICERS AND FIREFIGHTERS WITH A MINIMUM OF 25 YEARS OF SERVICE AND COMBINED AGE AND YEARS OF SERVICE OF 70 POINTS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING PENALTIES FOR VIOLATION HEREOF; PROVIDING FOR INCLUSION IN CODE; PROVIDING FOR A SEVERABILITY CLAUSE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the general purpose and intent of this ordinance is to allow eligible firefighters and police officers of the City's retirement system to join the City's Deferred Retirement Option Program (DROP); and

WHEREAS, the City of Hialeah has received and reviewed an Actuarial Impact Statement concerning these retirement incentives and finds that it is in the best interest to establish a DROP plan for eligible firefighters and police officers; and

WHEREAS, the Board of Trustees of the Employees General Retirement System recommended approval of this ordinance at a special meeting on January 25, 2007.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

Section 1: Chapter 70 entitled "Retirement and Pensions", Article IV. Employees General Retirement System, of the Code of Ordinances of the City of Hialeah, Florida, is hereby amended by creating a new division, Division 7. Deferred Retirement Option Program (DROP), to read as follows:

Chapter 70

RETIREMENT AND PENSIONS

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**ARTICLE IV. EMPLOYEES GENERAL RETIREMENT
SYSTEM**

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**DIVISION 7. DEFERRED RETIREMENT OPTION
PROGRAM (DROP) FOR SWORN POLICE OFFICERS AND
FIREFIGHTERS.**

Sec. 70-261. Eligibility.

A member who is a firefighter or a sworn police officer of the City's retirement system who is employed by the City may enter into the Deferred Retirement Option Program (DROP), on the first day of any month following completion of 25 years of membership service credit, provided that the sum of the member's age and years of service is 70 points or more. The member must have actually worked for at least 25 years and the member shall not be allowed to buy time in order to be eligible for the DROP. The maximum duration for participation in the DROP shall not exceed 36 months, and participation will end if the employee resigns, dies, or is terminated for good cause prior to completion of the 36 months. Participation in the DROP shall not violate section 70-237(2)(b) of the Hialeah Code.

Sec. 70-262. Written election.

A member electing to participate in the DROP must complete and execute the proper forms supplied by the board of trustees. Election in the DROP is irrevocable once DROP payments begin. As a condition of participating in the DROP, the eligible member must agree to terminate City employment at the conclusion of the DROP period, and must submit a letter of resignation to the City, which letter shall be coupled with an interest and shall be irrevocable, prior to entering the DROP.

Sec. 70-263. Payments to DROP account.

A member's monthly retirement benefits consisting of the member's basic pension, service pension, and any future periodic cost-of-living increases, which would have been payable had the member elected to cease employment and receive a normal retirement benefit, shall be paid into the member's DROP account.

Sec. 70-264. Limitation on future contributions.

A member may participate in the DROP only once, and after commencement in the DROP, such member shall never have the right to be a contributing member of the retirement system again. After commencement of participation, the employee shall be ineligible for disability benefits under sections 70-67 and 70-248. If the member dies while participating in the DROP, a lump sum payment equal to the member's account balance shall be paid to the member's named beneficiary or, if none, to the member's estate. Any survivor benefits selected by the member shall also be payable.

Sec. 70-265. Cessation of contributions by member and city.

Upon the effective date of a member's commencement of participation in the DROP, the member's contributions to the annuity savings fund shall cease and the contributions assumed or paid by the city to the pension reserve fund shall cease.

Sec. 70-266. Benefit calculation.

For purposes of calculating a member's service pension, the average final compensation and credited service of a member participating in the DROP shall remain as existed on the effective date of commencement of participation in the DROP.

Sec. 70-267. DROP account earnings.

A participant's DROP account shall earn regular interest equal to the interest on contributions credited to the annuity savings fund each year according to section 70-172. Such interest shall be credited to each participant's DROP account annually at the end of the fiscal year.

Sec. 70-268. Payout.

Within 30 days following the member's termination of employment or death, the member's entire DROP account shall be distributed to the member (or in the event of the death, to the member's designated beneficiary or estate) in a cash lump sum, unless the member elects to have all or any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the member. Regardless of the option selected by the member, the board of trustees reserves the right to accelerate or defer payments to comply with the Internal Revenue Code. The DROP is intended to comply with the Internal Revenue Code and the board of trustees shall take no action that would jeopardize the tax qualification of the plan.

Sec. 70-269. Administrative rules.

The board of trustees shall make such other rules as necessary to administer the DROP.

Section 2: Repeal of Ordinances in Conflict.

All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 3: Penalties.

Every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be punished by a civil penalty not to exceed \$500.00 within the discretion of the court or administrative tribunal having jurisdiction. Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense. In addition to the penalty prescribed above, the city may pursue other remedies such as abatement of nuisance, injunctive relief, administrative adjudication and revocation of licenses or permits.

Section 4: Inclusion in Code.

The provisions of this ordinance shall be included and incorporated in the Code of Ordinances of the City of Hialeah, as an addition or amendment thereto, and the sections of this ordinance shall be renumbered, as appropriate, to conform to the uniform numbering system of the Code.

Section 5: Severability Clause.

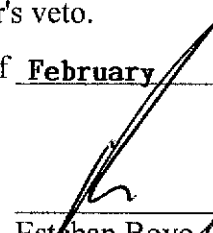
If any phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by the judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance.

Section 6: Effective Date.

This ordinance shall become effective when passed by the City Council and signed by the Mayor or at the next regularly scheduled City Council meeting, if the Mayor's signature is withheld or if the City Council overrides the Mayor's veto.

PASSED AND ADOPTED this 27th day of February, 2007.

THE FOREGOING ORDINANCE
OF THE CITY OF HIALEAH WAS
PUBLISHED IN ACCORDANCE
WITH THE PROVISIONS OF
FLORIDA STATUTE 166.041
PRIOR TO FINAL READING.



Esteban Bovo
Council President

Attest:



Rafael E. Granado, City Clerk

Approved on this 1 day of March, 2007.



Mayor Julio Robaina

Approved as to form and legal sufficiency:



William M. Grodnick, City Attorney

~~Strikethrough~~ indicates deletion. Underline indicates addition.

Ordinance was adopted by a unanimous vote with Councilmembers Bovo, Caragol, Casals-Muñoz, Gonzalez, Hernandez, Miel and Yedra voting "Yes".